



## FROM THE DESK OF GEORGE S. LEE, MD, DDS:

### HAPPY NEW YEAR!

I hope that this newsletter finds you and your team in good health and excited about what 2016 will bring. I am thankful for a healthy and fulfilling past year and the ability to be a part of this dental community. My hope for each of you is a positive and prosperous 2016, both personally and professionally. It is my goal that these newsletters will serve to be a valuable resource. If there are any topics of interest you would like to see covered, please email Katie at klee@cumberlandsurgicalarts.com and I will include it in an upcoming edition. Again, Happy New Year!

### AND THE WINNER IS...

Reflections Orthodontics is the winner in our 5 or \$5 Challenge! They collected 422 items to be donated

to Urban Ministries. Over 800 food, personal, and baby items were donated by participating offices as well as \$120 to help with their operating costs. A big thank you to Reflections Orthodontics, Clarksville Pediatric Dentistry, 101st Adult Dentistry, and the office of Dr. Leon Stanislav for their generous donations.



### LUNCH & LEARNS:

Lunch and Learn sessions are available in your office for you and your staff! These hands on, educational workshops can be tailored to your specific needs. Dr. DeFelice and I provide information on dental implants and the role of 3D imaging technology implant dentistry. We are excited to be able to offer continuing education credit beginning in 2016 for these sessions. Examples of session topics include:

- **Implants as the Standard of Care**
- **Bone Grafting and the Atrophic Mandible and Maxilla**
- **Immediate Load Full Arch Screw-Retained Dental Prosthesis**
- **Implant Restorative Parts & Pieces**
- **Sinus Lift in Preparation for Dental Implants**
- **Advanced 3-D Imaging**

Of course, we bring lunch! To schedule your office's Lunch and Learn Workshop, call Lisa at 931-552-3292, or email her at LDotson@cumberlandsurgicalarts.com.

### REMOVAL OF SYMPTOMATIC THIRD MOLARS MAY IMPROVE PERIODONTAL STATUS OF REMAINING DENTITION:\*

The purpose of this study was to assess the impact of third molar removal on the periodontal status of adjacent second molars and teeth more anterior in the mouth in patients with mild symptoms of pericoronitis. Healthy patients with mild symptoms of pericoronitis affecting at least 1 mandibular third molar were recruited for a study approved by the institutional review board. The subset analyzed in this study had all 4 third molars removed. Data were collected at enrollment and at least 3 months after surgery. Full-mouth periodontal probing was conducted at 6 sites per tooth. A probing depth of at least 4 mm (PD4+) was considered an indicator for periodontal pathology. The presence of a PD4+ on the distal of second molars (D2Ms) or anterior to the D2Ms, the number of PD4+s, and extent scores (percentage of PD4+s of all possible probing sites) were assessed at the patient and jaw levels. The association between patients' pre- and postsurgical periodontal status was assessed.

The median age of the 69 patients was 21.8 years. Forty-five percent were men, and 57% were Caucasian. Significantly more patients (88%) had at least 1 D2M PD4+ at enrollment compared with after surgery (46%). D2M extent scores decreased from 31.5 at enrollment to 11 after surgery. Significantly more patients (61%) had at least 1 PD4+ anterior to the D2M at enrollment compared with after surgery (29%). Extent scores anterior to the D2M decreased from 2.0 at enrollment to 0.6 after surgery.

The authors concluded from the results of this study that removal of third molars in patients with mild pericoronitis symptoms improved the periodontal status of the D2Ms and teeth more anterior in the mouth.

\* Dicus-Brookes C, Partrick M, et al. J Oral Maxillofac Surg. 2013 Jul 25

## The Curse of Mobile Phones

by Dr. Jacques Doueck<sup>3</sup>



Mobiles are becoming an increasing problem in the workplace with companies adopting policies to govern their use in the office, according to research from the US-based Society for Human Resource Management (SHRM). In an article in the New York Times, Rebecca Hastings, director of the SHRM Information Center, called mobile phones "the cigarettes of this decade."

"People are addicted," she said, and just as cigarettes are banned from some places, she predicts that more organizations will take a stance against mobiles. "Mobile phones are very disruptive to the traditional workplace," said Paul Levinson, chairman of the department of communications at New York's

Fordham University. "The mobile is a pipeline to anything and everything in the life of a person who possesses the phone, to boyfriends, girlfriends, children and parents," he said.

### THE SOLUTION:

1. **Put all employee cell phones in the "lock box" except during lunch** – Cell phones have no place at work: all cell phones need to be kept in the lock box so no one is tempted to text or call. When employees keep cell phones with them - they will automatically do a lot of texting during the workday. During work hours, employees are expected to avoid engaging in personal activities which interfere with productivity. Texting has become a significant distraction for some employees. From now on, everyone should be expected to limit texting to lunch only.
2. **When at work keep your mind on work** – Even with cell phones set to vibrate, if you receive a call or text you will be tempted to see who it's from or read and respond to a text. This is not only rude, it is a clear signal to the employer that your mind isn't 100 percent on your job. All calls can wait until lunch or until work is over. Remember, there was a time, not too long ago when we all survived without cell phones.
3. **Let cell phone calls go to voicemail** – While at work, let voicemail pick up messages. Messages can be checked at a later time.
4. **Find a private place to make cell phone calls during lunch only** – While it's okay to use cell phones at work for private calls during lunch, find a place to talk where conversations can't be overheard, even if what's being discussed isn't personal.

Write up a policy and have each employee sign it. Keep a copy in their file. And remember, as the leader of your office, you need to set the example.

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### Which Type of Business Entity is Right for Your Practice?... continued from page 1

an S-corporation, business owners can avoid double taxation. In effect, S-corporation income "passes through" the entity and is taxed to the S-corporation shareholders as if they earned it individually. An additional benefit is that S-corporation owners have the ability to characterize the company's income. Self-employment tax doesn't have to be paid on dividends distributed from an S-corporation, but it does have to be paid on wages. For a high-performing practice, this could provide a significant tax savings.

**No matter where you are along your career path, it is essential that you understand how to protect your current and future assets.**

**Limited Liability Companies:** Almost all the advantages of the entities discussed above are available through Limited Liability Companies. LLCs can opt to be taxed as sole proprietorships (disregarded taxation), as partnerships, or as S-corporations (Pass-Through Taxation). Thus from a tax standpoint, they are the most flexible option. They are also the most flexible option from the standpoint of corporate governance. LLCs have a "decentralized" form of governance. One person can run the whole show as manager, or the members (i.e. the owners) can operate the business themselves and still maintain limited liability.

### THE BOTTOM LINE:

So how do you determine which business entity is right for you? For your primary income generating business, I would use the tax considerations as my primary driver and the limitation on liability as

the secondary. On the other hand, entities you will be putting your personal assets into, and which generate little to no income, do the reverse. Use the limitation on liability as the primary driver and the tax considerations as secondary.

The common thread to all of the above listed types of business entities is that none of them protect your personal assets. In the event of a lawsuit, if the plaintiff cannot get to your business assets, the plaintiff could simply move over to the personal assets, including bank accounts, real estate, and even the primary residence, to satisfy the judgment. This means that not only should you have solid legal entities around your business assets, it is essential to also protect your personal assets. This is the area of law called "Asset Protection," and it is extremely effective. No matter where you are along your career path, it is essential that you understand how to protect your current and future assets. Simply put, knowledge is power.

*As my thanks for reading through this article, I am offering the full version of this guide, "Business Entities: The Lasting Consequences of What You Choose," which we normally charge for, as a COMPLIMENTARY download for a limited time for readers. The guide goes into deeper detail about the pros and cons of each business entity type, utilizes real world examples, and offers you a better understanding of the protections you need to have for your practice. You can download the guide at [www.lodmell.com/pd-business-entities-guide](http://www.lodmell.com/pd-business-entities-guide).*

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## Insurance Companies: Friend or Foe?

by Dr. Joe Steven, Jr.<sup>2</sup>

I have a love/hate relationship with dental insurance companies. I love the fact that they provide many patients to our office that otherwise would not be able to afford our services, yet I hate many of their tactics. I also believe that our fees would not be as high as they are if it were not for 3rd party companies paying part of the bill for our patients.

Of course, if you are a fee-for-service practice, then this is all irrelevant. But, for the large majority of us who treat the masses, dealing with insurance companies is a complex, and many times frustrating, dilemma. There is also a mostly unknown obstacle that we may also face - the insurance companies' attitudes toward us, the dentists.

A few months ago KISCO received a call from someone who wanted to talk to the owner about something very important. The post-it note on my desk piqued my curiosity so I called back as soon as I had a break in my schedule. It was from the owner of a dental insurance company out of state.

He introduced himself and asked me if I was the author of the pamphlet that he received on his last visit to his dentist titled: *Dental Insurance: The Facts?* After I admitted developing the brochure from various sources, he laid into me. He was irate! He could not believe that I could write such a dishonest, misinformed piece of sh##! He started yelling at me asking about my references and research. I have often said at my seminars that insurance companies would not like this brochure because it is full of facts that all insured patients need to read. I had no idea they hated it this much!

When I finally got a chance to ask what he specifically disagreed with, he immediately mentioned the section that addressed how the quality of care has diminished with the ongoing limitations we keep seeing from insurance companies. He questioned my resources. I calmly said, "David, every dentist in this country would agree with that statement!" Then I explained the recent guidelines of not being able to take all the necessary x-rays on the patient's first visit that we have always done in the past. Insurance companies save considerable amounts of money by implementing this restriction. And of course I pointed out the constant denials that many of us incur which is definitely a detriment to the patient.

He cut me off and went on another rampage about how we dentists are spoiled and cannot sacrifice like the rest of Americans in this down economy. He actually said that we must all be President Obama fans because we keep expecting a handout! He said that dentists are unwilling to give up their summer lake homes with their big boats and yet we still want to work just 3 and a half days a week.

Then, he went on about how we dentists "have it made" working in beautiful offices with a dozen or so "cute girls" doing all our work for us! Okay, I had to agree with him about that! Just kidding! I interrupt him on that one and told him he had no idea what he was talking about! I explained that our profession has seen hundreds, if not thousands, of dentists filing bankruptcies in recent years and that we are working harder to make the same income we previously enjoyed and how we are becoming slaves to the dental insurance industry.

I believe I finally made a break through that brought his tirade down a level when I asked him if he disagreed with the statement about how the \$1,000 annual benefits haven't gone up in the last 30 or so years. He softened up his tone and said that is an issue that needs to be addressed. You think?

Eventually he toned down his rhetoric but I'm not sure I really convinced him of anything. Now, this may be an isolated situation of just one insurance CEO, but many believe it is a rampant attitude in that industry and that is one of our main obstacles that we may never overcome. There are some in the insurance industry that truly believe that dentists make way too much money and that they are providing a valuable service to our patients while allowing dentists to become busier and more profitable. We all know that is not necessarily the case.

So where does this leave us? We know that much of the blame also goes to employers who choose an inexpensive plan to save money, yet they can tell prospective employees that they offer dental insurance benefits. Combine that with the perception of insurance companies believing that dentists make too much money anyway and we are faced with an uphill struggle that I don't think we will ever overcome.

The outlook for better third party coverage and benefits is bleak. We all have to be diligent in selecting and monitoring the various insurance companies that we accept. When done properly, our offices can greatly benefit. Again, I would hate to have to practice without a third party footing much of the bill. As far as my challenging conversation with David, unfortunately we had to agree to disagree!

*Dr. Joe Steven is president of KISCO, a dental products marketing company, providing "new ideas for dentistry." He presents various seminars on efficiency and team motivation. You may contact him atjsteven@kiscodental.com, 800-325-8649, www.kiscodental.com.*

## Which Type of Business Entity is Right for Your Practice?

by Douglas Lodmell, J.D., LL.M.<sup>1</sup>

For the past 14 years I have been the Managing Partner of Lodmell & Lodmell, P.C., an asset protection law firm. A question I've been frequently asked by dentists has been, "Which type of business entity makes the most sense for my practice?" The answer is not simple because business entities vary considerably, including the levels of protection or exposure they offer.

Below is an excerpt from our guide, "Business Entities: The Lasting Consequences of What You Choose." It is important to understand that there are really only two reasons why you would set up a business entity:

1. **To limit liability.**  
– or –
2. **To gain favorable tax treatment in some way.**

### LIMITATION OF LIABILITY:

To understand what Limitation of Liability really means, you need to understand different types of liabilities. These are: personal liabilities, business liabilities and professional liabilities.

*Personal Liabilities:* A personal liability is something created by an individual. Think about a car accident as an example. The at-fault driver is personally liable for the injuries and property damage caused by the accident.

*Business Liabilities:* These are liabilities created by the business entity itself. A commercial lease is a good example. If you own an LLC that rents office space, the LLC is on the hook for a business liability. But that changes if you personally guarantee a business liability. A personal guarantee then converts the obligation into both a business and a personal liability.

*Professional Liabilities:* Professionals like dentists, physicians, CPAs and attorneys are personally subject to liabilities for the services they render in a professional capacity, even if the services are rendered through a business entity. That means a business entity cannot protect professionals from malpractice, negligence or other professional liabilities.

### TAXES:

The second reason to set up a business entity is that some types have more favorable tax treatment than others. Taxation of businesses falls into three general categories:

- **Corporate Level Taxation**
- **Disregarded Taxation**
- **Pass-Through Taxation**

A corporately taxed business is itself taxed on income. This results in double taxation as discussed more fully below. An entity with disregarded tax treatment "ignores" the income at the business entity level and reports it directly to the owners whom report and pay taxes on the business' income on their personal tax returns. Pass-Through taxation combines the elements of corporate reporting with passthrough taxes. In other words, the entity itself reports income, but the owners (not the entity) actually pay the taxes due on that income.

### WHAT TYPE OF ENTITY SHOULD YOU USE?

There are three types of business entities I'll discuss: professional corporations, standard or subchapter-c corporations and limited liability companies.

*Professional Corporations:* These were once very popular because they received favorable tax treatment. Prior to 1986, owners of PCs could shelter more money from taxation than sole proprietors or partners could. However, since 1986, PCs have been taxed at a flat 35% rate. In short, the tax benefits have disappeared. Of course, a PC can opt to be treated as an S-corporation and avoid some adverse tax consequences. PCs still have some advantages over operating as a sole proprietor, but in most cases there are better, more efficient business entity alternatives.

*Corporations (Standard C & Subchapter S):* Standard C corporations are majorly disadvantaged from the standpoint of taxation because they are double taxed. The corporation itself is taxed on profits at a corporate tax rate (15%-39%), and then the shareholders are taxed on dividends that they receive (currently 10%-35%). In contrast, by electing to be treated as

Business Entity.....	(1, 3)
From the Desk of Dr. Lee .....	(2)
The Curse of Mobile Phones.....	(3)
Insurance Companies: Friend or Foe.....	(4)